

ALABAMA: EXPORTS, JOBS, AND FOREIGN INVESTMENT

Exports Mean Jobs for Alabama Workers

- One-seventh (14.7 percent) of all manufacturing workers in Alabama depend on exports for their jobs (2001 data latest available).
- Export-supported jobs account for an estimated 6.8 percent of Alabama's total private-sector employment (one of every 15 jobs), which is slightly above the national average of 6.5 percent. (2001 data latest available)

Note: Export-related jobs estimates include only jobs supported by exports of manufactured goods; jobs generated by exports of services are excluded. Consequently, the numbers understate the total employment impact of exports on the U.S. economy.

Source: State Export-Related Employment Project, International Trade Administration & Census Bureau.

Exports Help Sustain Thousands of Alabama Firms—Small As Well As Large

- A total of 2,930 companies exported from Alabama locations in 2001. Of those, 2,272 (78 percent) were small and medium-sized enterprises with fewer than 500 employees.
- Small and medium-sized firms generated nearly one-fourth (23 percent) of Alabama's total exports of merchandise in 2001.

Source: Exporter Data Base, International Trade Administration & Census Bureau

Economic Globalization: A Two-Way Street for Alabama

- In 2002, 72,700 Alabama workers were employed by majority-owned affiliates of foreign companies.
- Just under half of these foreign-investment-supported jobs (47 percent, or 34,300 workers) were in the manufacturing sector in 2002.
- Majority-owned U.S. affiliates of foreign firms accounted for 12 percent —nearly one-ninth—of total manufacturing employment in Alabama in 2001.
- Foreign investment in Alabama was responsible for 4.7 percent of the state's total private-industry employment in 2001.
- Major sources of foreign investment in Alabama in 2002 included the Netherlands, Germany, France, Japan, and United Kingdom.

Note: All figures exclude employment in banks affiliated with foreign companies.

Source: Bureau of Economic Analysis.

Alabama Depends on World Markets

- Alabama's export shipments of merchandise in 2003 totaled \$8.3 billion, up 35 percent (\$2.1 billion) from 1999. By comparison, total U.S. merchandise exports rose 4.5 percent over the 1999-2003 period.

- Alabama ranked fifth among the states in terms of percentage export growth from 1999 to 2003 and eighth in terms of dollar growth.
- Alabama exported globally to 184 foreign destinations in 2003. The state's largest market was Germany, where Alabama posted exports of \$1.6 billion. Germany was followed by our NAFTA trading partners Canada (\$1.5 billion) and Mexico (\$751 million). Other top markets included Japan, the United Kingdom, China, South Korea, the Netherlands, France, and Honduras.
- Germany is also Alabama's biggest growth market, in dollar terms. From 1999 to 2003, the state's export shipments to Germany increased from \$462 million to \$1.6 billion, an increase of 250 percent, or \$1.2 billion. Other countries to which Alabama recorded large increases in merchandise exports over the 1999-2003 period were China (up \$254 million), Mexico (up \$244 million), South Korea (up \$148 million), and Ireland (up \$112 million).
- Of Alabama's major markets, exports to Ireland grew the fastest over the 1999-2003 period. Alabama's exports of goods to Ireland surged from \$22.4 million to \$134 million—an increase of 502 percent. Other major markets to which Alabama more than doubled its exports from 1999 to 2003 were Saudi Arabia, the United Arab Emirates, Guatemala, Germany, China, Thailand, Costa Rica, South Korea, and South Africa.
- The state's leading export category is transportation equipment, which alone accounted for 30 percent, or \$2.5 billion, of Alabama's total merchandise exports in 2003. Other top exports are chemical manufactures (2003 exports of \$1.3 billion), computers and electronic products (\$757 million), paper products (\$658 million), and apparel manufactures (\$489 million).
- In dollar terms, Alabama's leading export growth category also is transportation equipment. Export shipments of these products during the 1999-2003 period grew from \$1.5 billion to \$2.5 billion—an increase of more than \$1 billion. Other manufactured export categories that registered large dollar growth from 1999 to 2003 were chemical manufactures (up \$439 million), apparel manufactures (up \$234 million), machinery manufactures (up \$169 million), and paper products (up \$89 million).
- In percentage terms, Alabama's fastest-growing manufactured export category is apparel manufactures, which rose 92 percent from \$255 million in 1999 to \$489 million in 2003. Other fast-growing manufactured exports during the 1999-2003 period were transportation equipment (up 69 percent), petroleum and coal products (up 66 percent), and machinery manufactures (up 58 percent).

Source: Origin of Movement State Export Series, Census Bureau.

Caution: The Origin of Movement (OM) series allocates exports to states based on transportation origin, i.e., the state from which goods began their journey to the port (or other point of exit from the United States). The transportation origin of exports is not always the same as the location where the goods were produced.

Consequently, conclusions about "export production" in a state should not be made solely on the basis of the Origin of Movement state export figures.

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